Reviewing of SSIs

2531. SHRI ABANI ROY: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether Government are reviewing the Small Scale industries and propose to come out with a comprehensive package of proposals to promote this sector;

(b) if so, the details thereof;

(c) whether the proposals sent to Finance Ministry and Planning Commission have since been cleared;

(d) if so, the details thereof; and

(e) by what time such proposals are likely to be implemented?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHABIR PRASAD): (a) to (e) Review of the policies and programme related to small scale industry, by the Government is a continues process which is achieved through the meetings of Small Scale Industries Board, product specific meetings with stakeholders etc. The Government is in the process of formulating a major promotional package for the small-scale sector. The details of the package are being worked out. Final proposal in regard to major promotional package is yet to be sent to Ministry of Finance and to Planning Commission. Implementation of the proposals will be taken up after they are approved.

Subsidy to SSI in Karnataka

2532. SHRI K. B. KRISHNA MURTHY: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether Government are aware of the fact that the Karnataka Government is finding it difficult to sanction the subsidy amount due to Small Scate Industries in the State for many years;

(b) if so, whether there is any demand from Karnataka Government for releasing funds for giving subsidy to Small Scale Industries; and

(c) the amount of assistance sought for and the action taken by Government in this regard?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHABIR PRASAD): (a) As per the information collected from the Government of Kanataka, an investment subsidy of Rs. 429.43 crore is pending for release to the small scale industries by them due to financial constraints.

(b) No, Sir.

(c) Does not arise.

Closing down of SSIs

2533. SHRIMATI BIMBA RAIKAR : Will; the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether the Small Scale Industry units are downing shutters following dereservation of 85 items, listed in the 2004 Budget;

(b) whether Government are aware of the fact that Small-Scale Industry sector is reeling under the impact of shortage of cheap bank loans, with flow of credit to small-scale sector from public sector banks declining over years; and

(c) whether de-reservation of 85 items is likely to deprive many small-scale units the benefits of the Price Purchase Preference Scheme, earlier enjoyed by them?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHABIR PRASAD) : (a) No, Sir. In the Union Budget for 2004-05 presented in Parliament on 8th July, 2004, the Government has; proposed dereservation of 85 items. As per the procedure, items to be dereserved are identified in consultation with the stakeholders. Dereservation of certain items has been done over the years so as to allow greater opportunities to the SSIs for technological upgradation, promotion of exports and achieving economies of scale.

(b)While the quantum of advances from Public Sector Banks to-SSIs has increased over the years in absolute terms from Rs. 38,109 crore in 1998 to Rs. 52988 crore in 2003, the share of SSIs in net bank credit has gone down from 17.5 % to 11.1 % during this period. As per the announcement made in the Union Budget 2003-04, the Indian Banks Association has advised the banks to adopt the interest rate band of 2% above and below their prime lending rates for secured advances. In addition, the Small & Medium Enterprises Fund of Rs. 10,000 crore being